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CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

25X1

COUNTRY Czechoslovakia

DATE DISTR. 29 October 1954

SUBJECT Discontinuance of the HUKO Foundry Project near
Kosice

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THIS IS UNEVALUATED INFORMATION

1. The HUKO steel town project, founded by Erg. Rada, [redacted] 25X1
[redacted] was built in eastern Slovakia in 25X1
order to use the cheap labor there, to give employment to the population
and to help transform the religious peasants into Communist factory workers.
2. The project's failure, classified as sabotage, was due to: 25X1
 - a. Shortage of coal. Six hundred to 700 carloads of coal had to be
shipped every day from distant coal mines. Most of the coal came from
the Moravska Ostrava area. 25X1
 - b. Although it would have been advantageous to use Soviet iron ore
because of the short distance between the project and the USSR, high-
quality [redacted] ore also had to be used. Thus, the distance to be covered
in delivering [redacted] counterbalanced the advantage gained in
respect to the Soviet ore. The Vitkovice Klement Gottwald Iron Works
at Moravska Ostrava had to share their supplies [redacted] with 25X1
HUKO. The delivery of Soviet ore orders placed in Ostrava was paralyzed
because of the additional demands of HUKO.
3. In a last attempt to save the project, the Czechoslovak government tried
to obtain coal for HUKO from Hungary and Rumania, offering an electric
current supply from the modern Hodonin power station to Hungary. Finally
in the fall of 1952, the project was definitely closed, with two furnaces
already completed.

Comment: Presumably Svatopluk Rada, formerly Vice-Minister
of Foundries and Ore Mines. [redacted]

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